

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

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FISCAL IMPACT STATEMENT

LS 7683

BILL NUMBER: SB 501

NOTE PREPARED: Jan 11, 2007

BILL AMENDED:

SUBJECT: State retirement medical benefits account.

FIRST AUTHOR: Sen. Kenley

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: _____ **GENERAL**
DEDICATED
FEDERAL

IMPACT: Pending

Summary of Legislation: Establishes a retirement medical benefits account for elected officers, appointed officers, and employees of the executive, legislative, and judicial branches of state government to pay participants' medical expenses after retirement. Designates the budget agency as the account administrator. Requires the state to make annual contributions to the account based on the age of the participant. Provides for a supplemental contribution to the account for a participant who retires with at least: (1) 15 years of service with the state, for an employee; or (2) ten years of service as an elected or appointed officer. Provides that: (1) employees who qualify and have applied for a normal unreduced or disability retirement benefit at separation from service; and (2) elected or appointed officers with at least ten years of service; are entitled to a benefit from the account. Allows the surviving spouse or dependent of a retired participant to receive a benefit. Provides that unused amounts credited to a retired participant are forfeited if the retired participant dies without a surviving spouse or dependent. Requires the budget committee to review the financial status of the account annually. Provides that, if allowed by the Internal Revenue Service, the retirement medical benefits account established by the public employees' retirement fund must: (1) require a state employee to convert certain unused vacation leave to a monetary contribution to the account at retirement; and (2) allow the state to contribute to the account on the employee's behalf an amount not to exceed two times the amount of the employee's contribution.

Effective Date: Upon passage; July 1, 2007.

Explanation of State Expenditures: *As of the above date, the fiscal analysis of this bill has not been*

completed. Please contact the Office of Fiscal and Management Analysis for an update of this fiscal impact statement.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected:

Local Agencies Affected:

Information Sources:

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